
Financial Results Presentation

Financial Results for the year ended 31st March, 2017
and Financial Results Forecast for the year ending 31st March, 2018

April 27, 2017

Nomura Research Institute, Ltd.

Shingo Konomoto

President & CEO, Member of the Board



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1. Financial Results for FY March 2017

2. Review of Measures in FY March 2017

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Highlights of Consolidated Financial Results

	(JPY million)			
	FY Mar. 2016	FY Mar. 2017	Diff.	YoY Change
Sales	421,439	424,548	+3,109	+0.7%
Operating Profit	58,295	58,514	+218	+0.4%
Operating Profit Margin	13.8%	13.8%	-	/
Profit attributable to owners of parent	42,648	45,064	+2,416	+5.7%
Earnings Per Share^{※1}	¥171.42	¥181.77	+¥10.35	/
Dividends Per Share ^{※2}	¥80.00	¥80.00	-	/
Payout Ratio	41.1%	42.4%	+1.3P	/
Return On Equity	10.6%	10.7%	-	/

※1 Earnings per share shows the figure obtained based on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

※2 NRI implemented 1:1.1 common stock splits on October 1, 2015 and January 1, 2017. Since no adjustment was made to the year-end dividend per share in the fiscal year under review, the splits results in an effective dividend increase.

Comparison to Forecasts

(JPY billion)

	FY Mar. 2016	FY Mar. 2017		
	Results	Forecasts*	Results	Diff.
Sales	421.4	425.0	424.5	(0.4)
Operating Profit	58.2	59.0	58.5	(0.4)
Operating Profit Margin	13.8%	13.9%	13.8%	(0.1P)
Profit attributable to owners of parent	42.6	45.5	45.0	(0.4)

* Forecasts were announced on October 27, 2016

Key Factors in Financial Results for March 2017

Took steady first steps in a first year of progress
on Medium-Term Management Plan targets

- Maintained sales growth, despite a fall-off in large-scale software sales compared to the previous fiscal year; growth driven by steady expansion in the global business, in addition to robust demand for consulting and IT investment at Japanese companies
- Achieved good operating profit margin due to solid business environment and initiatives to raise productivity and quality
- Took steps to rationalize business assets (data center) in order to strengthen business and financial base
- Conducted share buyback and dividend increase to enhance capital efficiency

Sales by Segment < Full Year >

(JPY million)

	FY Mar. 2016	Share	FY Mar. 2017	Share	Diff.	YoY Change
Consulting	28,370	6.7%	30,574	7.2%	+2,204	+7.8%
Financial IT Solutions	252,842	60.0%	246,979	58.2%	(5,863)	(2.3%)
Securities	123,896	29.4%	119,128	28.1%	(4,767)	(3.8%)
Insurance	57,082	13.5%	51,982	12.2%	(5,100)	(8.9%)
Banking	37,541	8.9%	40,286	9.5%	+2,745	+7.3%
Other financial	34,321	8.1%	35,580	8.4%	+1,259	+3.7%
Industrial IT Solutions	101,538	24.1%	107,208	25.3%	+5,670	+5.6%
Distribution	51,882	12.3%	54,256	12.8%	+2,374	+4.6%
Manufacturing, service and other	49,656	11.8%	52,952	12.5%	+3,295	+6.6%
IT Platform Services	28,720	6.8%	29,241	6.9%	+520	+1.8%
Others	9,966	2.4%	10,544	2.5%	+577	+5.8%
Total	421,439	100.0%	424,548	100.0%	+3,109	+0.7%
Nomura Holdings	68,666	16.3%	71,600	16.9%	+2,934	+4.3%
Seven & i Holdings	43,254	10.3%	45,285	10.7%	+2,030	+4.7%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

Segment performance results < Full Year >

■ Including Inter-segment sales for each segment

(JPY million)

		FY Mar. 2016	FY Mar. 2017	Diff.	YoY Change
Consulting	Sales	28,823	31,161	+2,338	+8.1%
	OP	5,487	5,853	+366	+6.7%
	OPM	19.0%	18.8%	(0.3P)	
Financial IT Solutions	Sales	253,802	248,188	(5,613)	(2.2%)
	OP	29,171	26,461	(2,709)	(9.3%)
	OPM	11.5%	10.7%	(0.8P)	
Industrial IT Solutions	Sales	102,859	107,672	+4,813	+4.7%
	OP	9,974	9,076	(898)	(9.0%)
	OPM	9.7%	8.4%	(1.3P)	
IT Platform Services	Sales	110,044	122,107	+12,063	+11.0%
	OP	11,575	14,015	+2,439	+21.1%
	OPM	10.5%	11.5%	+1.0P	

Sales by Service < Full Year >

(JPY million)

	FY Mar. 2016	Share	FY Mar. 2017	Share	Diff.	YoY Change
Consulting Services	52,131	12.4%	62,734	14.8%	+10,602	+20.3%
System Development & System Application Sales	145,157	34.4%	131,908	31.1%	(13,249)	(9.1%)
System Management & Operation Services	212,952	50.5%	217,271	51.2%	+4,318	+2.0%
Product Sales	11,197	2.7%	12,634	3.0%	+1,437	+12.8%
Total	421,439	100.0%	424,548	100.0%	+3,109	+0.7%

P/L Highlight < Full Year >

(JPY million)

	FY Mar. 2016	FY Mar. 2017	Diff.	YoY Change
Sales	421,439	424,548	+3,109	+0.7%
Cost of Sales	287,270	280,761	(6,509)	(2.3%)
Subcontracting Costs	139,303	126,361	(12,942)	(9.3%)
Gross Profit	134,168	143,787	+9,618	+7.2%
Gross Profit Margin	31.8%	33.9%	+2.0P	
SG&A	75,873	85,272	+9,399	+12.4%
Operating Profit	58,295	58,514	+218	+0.4%
Operating Profit Margin	13.8%	13.8%	-	

P/L Highlight < Full Year > continued

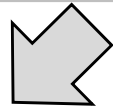
(JPY million)

	FY Mar. 2016	FY Mar. 2017	Diff.	YoY Change
Operating Profit	58,295	58,514	+218	+0.4%
Non-operating income and loss	2,705	1,839	(865)	
Dividend Income	1,630	1,527	(103)	
Extraordinary income and loss	1,304	4,638	+3,333	
Gain on sales of investment securities	2,277	13,159	+10,882	
Loss on sales of property and equipment	-	(8,567)	(8,567)	
Income taxes etc.	19,513	21,042	+1,529	
Profit attributable to owners of parent	42,648	45,064	+2,416	+5.7%

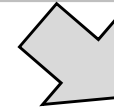
Steps to Rationalize Business Assets Aimed at Enhancing Corporate Value

➤ Off-balance sheet treatment for one of NRI's data centers (4Q, FY March 2017)

- ✓ Off-balance sheet treatment of business assets, including future expenses (from ownership to use)
- ✓ Continued use as NRI data center through lease after sale



Rationalize business assets



Strengthen financial base



- Recorded ¥8.5 billion extraordinary loss (4Q FY March 2017)
- Aim for future cost reductions related to data center business

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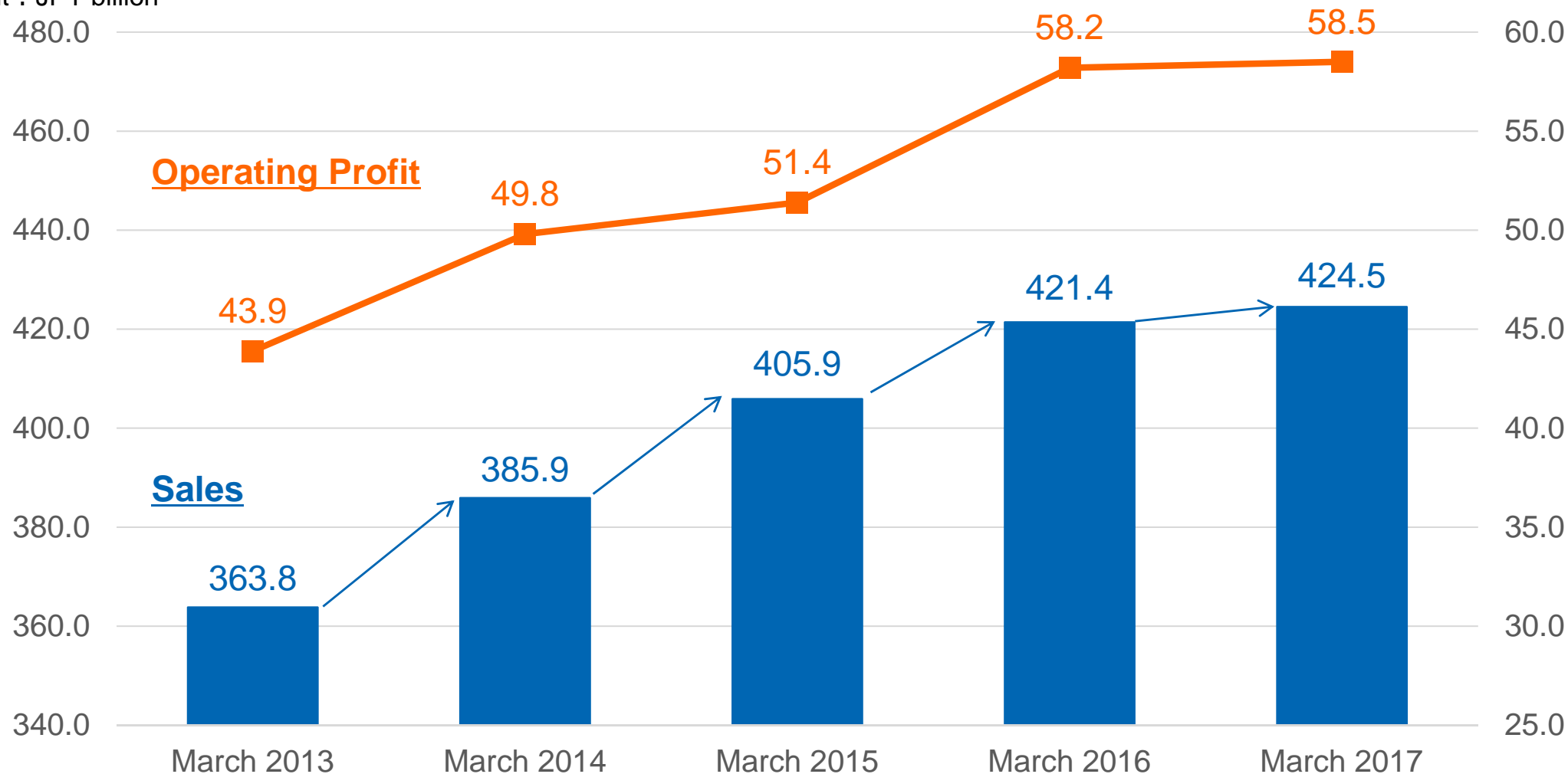
4. Financial Results Forecasts for FY March 2018

Sales and Operating Profit for March 2017

- Roughly in line with FY March 2017 earnings forecasts* of ¥425.0 billion net sales and ¥59.0 billion operating profit

*Forecasts are earnings forecasts for FY March 2017 published on October 27, 2016

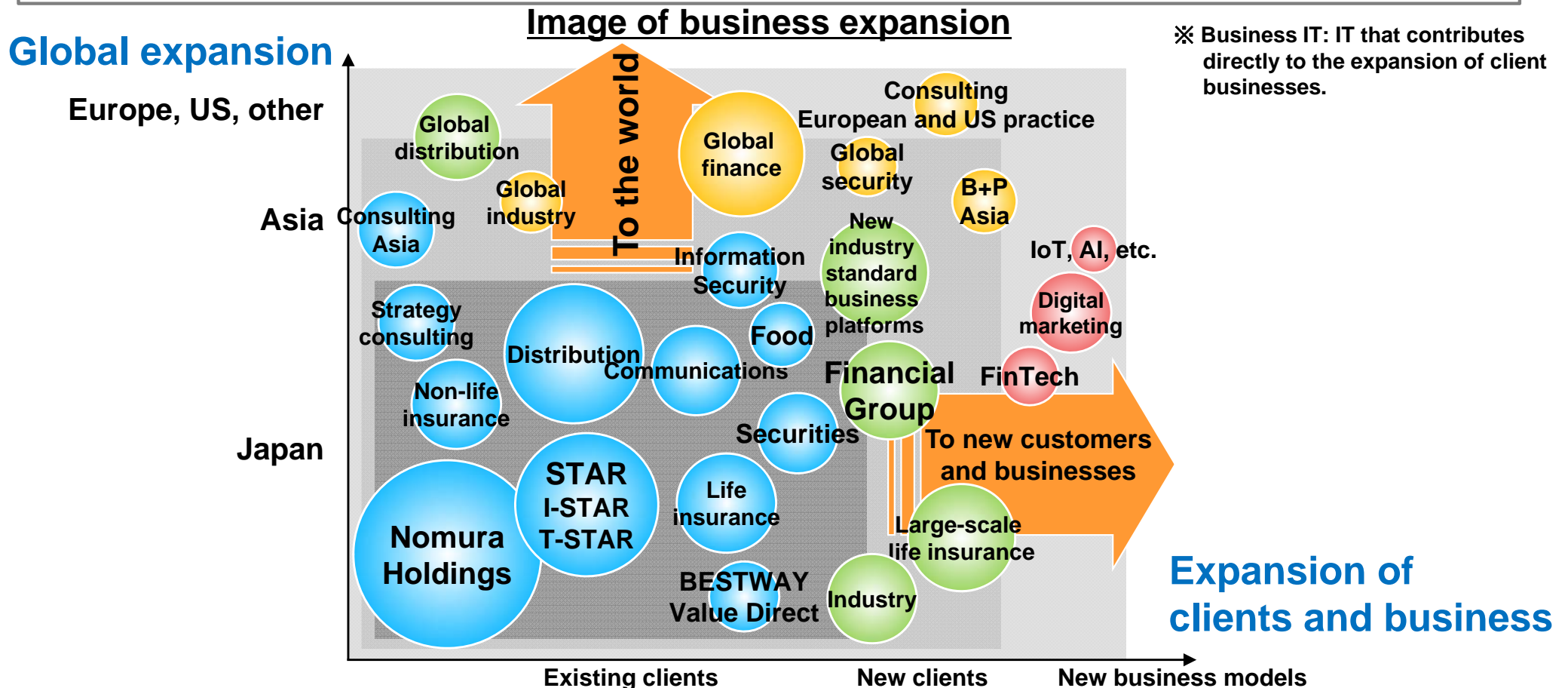
Unit : JPY billion



Target Sectors for Medium- and Long-Term Growth

- (1) Increase productivity and strengthen project management in specialty areas in Japan
- (2) Expand industry standard business platforms and develop large-scale clients
- (3) Build foundations for global business
- (4) Create business IT※

- Fields targeting further profitability
- Fields targeting medium-term growth
- } Fields targeting long-term growth (Focus for these 3 years is preparation and building up track record)
- }



① Increase productivity in specialty areas in Japan

- Further profitability (enhance productivity)
- Medium-term growth (upsized business in Japan)
- Long-term growth (global)
- Long-term growth (create business IT)

➤ Expanded scope of production innovation initiatives to include business IT * in addition to previous corporate IT *

* Corporate IT: IT that contributes to the efficiency of internal administrative work within client companies
Business IT: IT that contributes directly to expansion of client businesses

Production Innovation Forum 2016

Debriefing sessions to share production innovation initiatives in system development and maintenance with employees of NRI and its partners
(latest topics, research and study results, business improvement and standardization activities, etc.)

- Main themes**
- Industry trends in era of speed development
 - **NRI's business IT** initiatives
 - Establishment of bit.Labs (technology development lab in business IT field)
 - Case studies of agile development, etc.
 - Sharing examples of enhanced business (development and maintenance) innovation

Productivity Improvement Committee (FY2016)

Activities for cross-departmental study and promotion of research and development themes in productivity improvement by members primarily from middle management

- Main themes**
- Study and validation of **development methodology in the business IT era**
 - Examination of test center utilization, validation of results of testing automation
 - Trial of software factory (organization that handles development through a unified process)

Accelerating Move to Business IT (Example of Major Overseas Financial Institutions)

■ Advancing **functional differentiation between CIO and CTO**

- Separately from the organization that builds and runs the existing IT infrastructure, organize a team that designs business from technology and headed by the Chief Technology Officer (CTO)

■ The CTO focuses on **technology with business returns** (Strategic Filter)

- The mission is to realize the “Voice of the customer” through technology
- Strictly profit centered (technology is an asset rather than a cost)

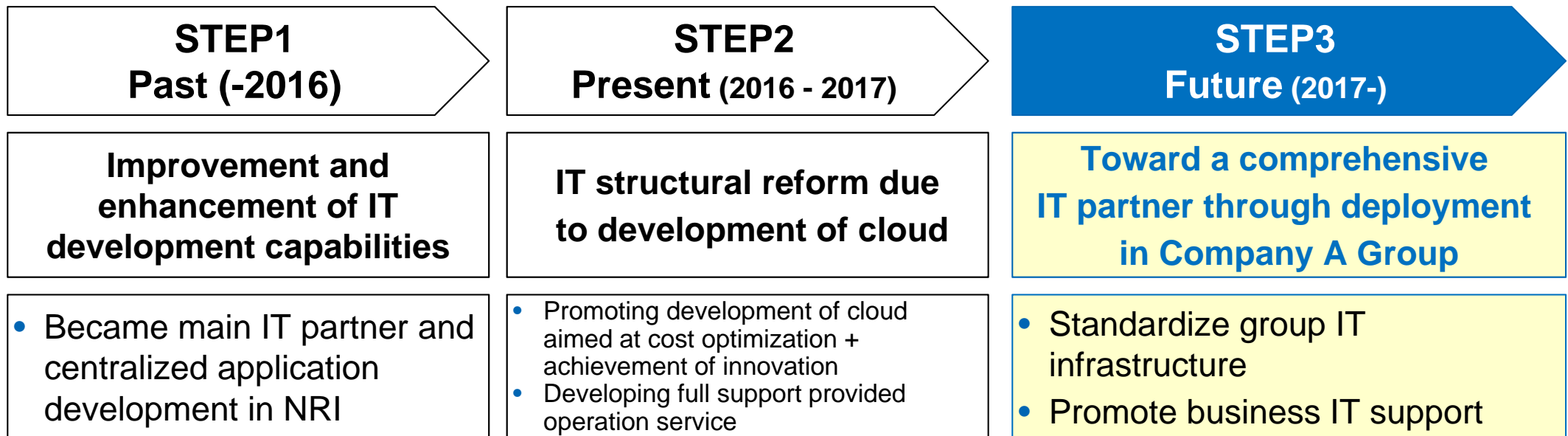
	CIO	CTO
Mission	Streamlining IT infrastructure	Business transformation
Target operation	Run the Business (Corporate IT)	Change the Business (Business IT)
Organization principle	Cost centered	Profit centered
Commitments	Quality and cost cutting	Voice of the customer
Budget	Annual budget	Quarterly and monthly budget
Report to	CAO (corporate)	CEO

- Further profitability (enhance productivity)
- **Medium-term growth (upsized business in Japan)**
- Long-term growth (global)
- Long-term growth (create business IT)

② Expand Customers and Services

- The need for streamlining and external utilization is increasing more and more for corporate IT, and NRI is aiming to expand the scope of support based on relationships of trust with customers.
- As an example, NRI is expanding its business in stages by becoming a comprehensive IT partner with financial institution Company A Group.

Example with Company A Group



Identify structural reform aimed at customer shift to business IT, and support business model transformation

- Further profitability (enhance productivity)
- Medium-term growth (upsize business in Japan)
- Long-term growth (global)
- Long-term growth (create business IT)

③ Build Foundations for Global Business

- In FY March 2017, NRI established Brierley+Partners Japan, and made Cutter Associates and ASG Group into subsidiaries.
- NRI pursued group synergies through PMI.*

*PMI (Post Merger Integration): management integration process after an M&A

Creation of synergistic projects with B+P, Cutter and others

- Introducing **loyalty marketing** packages at Japanese corporations through Brierley+Partners Japan
- **Synergistic projects (support for North American sites aimed at financial institutions)** with Cutter Associates proceeding

PMI for ASG Group

- Initiating PMI for ASG Group aimed at roll out of cloud-based managed services in Australia and Asia

ASG Group's PMI Management Policy

- ① Establish new management organizations and structure as a member of NRI Group
- ② Maintain relationships with customers and partners as well as management team and employees
- ③ Efforts to **create value enhancement**
 - **Joint marketing** with Japanese companies and their subsidiaries in Australia
 - **Cross selling** of ASG and NRI services

④ Create Business IT

- Further profitability (enhance productivity)
- Medium-term growth (upsize business in Japan)
- Long-term growth (global)
- Long-term growth (create business IT)

- Promote preparation steadily mainly in digital marketing, FinTech, AI, and IoT sectors

Speeding up creation of new digital businesses

- Propose establishment of joint enterprises with customers in digital marketing field at **NRI Digital**
- Start provision of **AI-based solution TRAINA**; promote introduction at individual companies mainly on the call center sector
- Establish **Dokokani Mile**, JAL's new mileage service
- Develop "**Nomura Goal-Based**," an asset management advisory-type **robo advisor** for retail investors at Nomura Securities

Exploring new technology businesses with customers and others

- Consulting and proof of concept in **AI** (business automation for financial institutions) and **IoT** (security sector, etc.)
- Proof of concept aimed at application of **blockchain technology** in securities markets
- Consulting and proof of concept (automobiles, transportation, etc.) in **analytics** field
- Holding **NRI HACKATHON 2016** to promote open innovation in partnership with sponsors

④ Create Business IT

Established NRI Digital in August 2016 to Promote Con-Solution

Basic Strategy of NRI Digital

Through the promotion of Con-Solution*, which provides integrated consulting, IT solution, and analytics services in the digital field, NRI will create “**new digital businesses**” that grow with customers and share results.

*Con-Solution: a model in which consulting and solutions work side-by-side with the customer from the stage of planning and initiating business IT and expand business while repeating hypothesis verification with client

Promoting Con-Solution

Digital business consulting

Create competitive business model from digital business knowledge of leading companies

Digital IT solutions

Select optimum solution to achieve digital business and introduce swiftly

Digital analytics services

Increase customer profits by continuing to expand and develop data analysis and utilization field

New digital businesses (pay for performance and joint enterprises)

Increase customer revenue through digitization and share results with customer

Example

- Design and consulting, etc. for next-generation CRM site of consumer goods Company A

Example

- Development, operation, and provision of analytics services for digital marketing system of retailer Company B

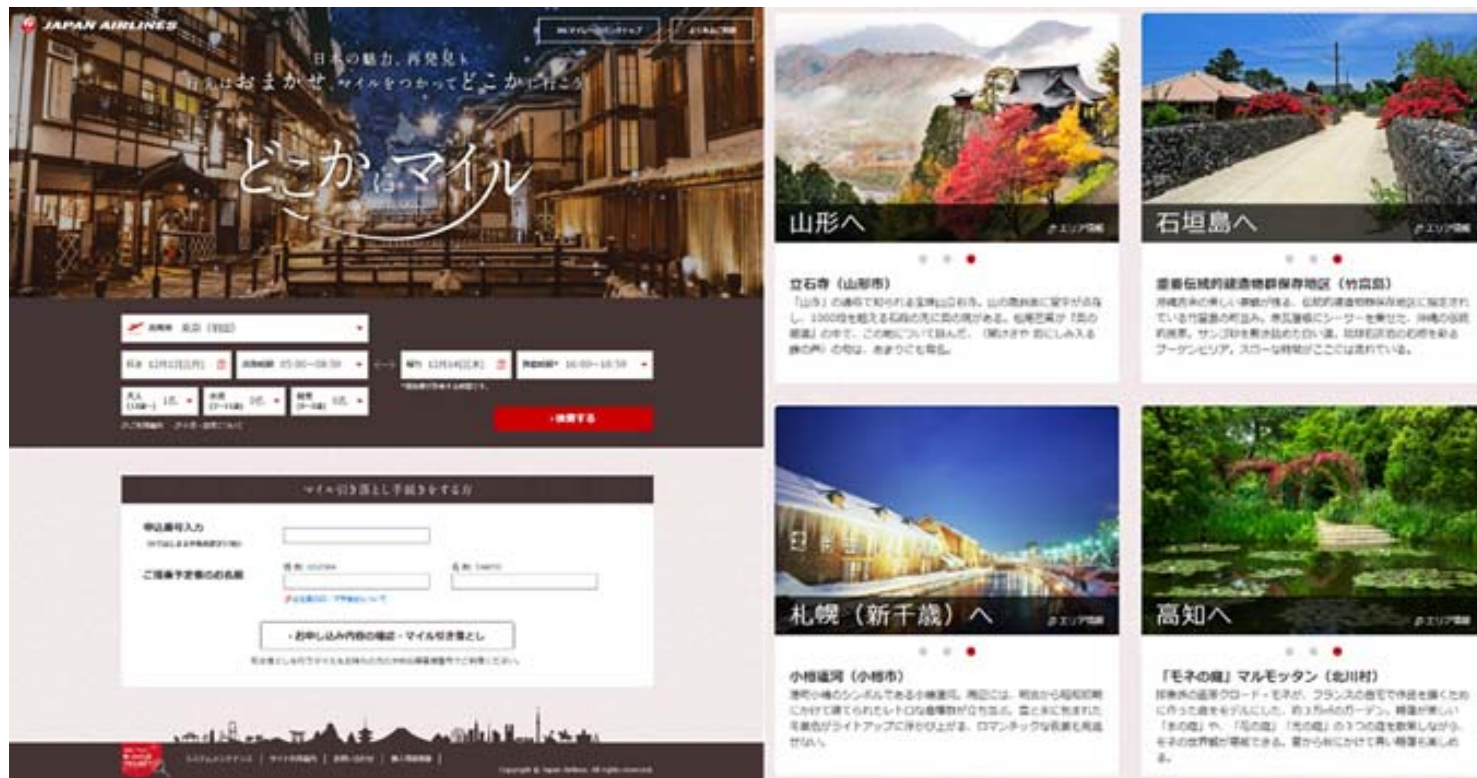
Example

- Proposing joint enterprise in digital marketing field to manufacturer Company C

④ Create Business IT

Launched “Dokokani Mairu” Service Jointly Developed with JAL

- “Dokokani Mairu” (Travel Somewhere with Miles) service, which allows a round trip from Haneda Airport to certain airports in Japan to which the JAL Group operates direct flights for 6,000 miles, started in December 2016
- Based on patents owned by NRI, **JAL and NRI developed the “Dokokani Mairu” service in collaboration for entire process from business concept to system construction**
- Due to popularity, service has been expanded to routes to and from Itami Airport (as of April 17, 2017)



NRI's News Release on Nov. 29th, 2016

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Insights about NRI's Management Environment

Consulting

- Shortage of human resources at customers despite progress in digitization of management and business; consulting needs will continue to grow
- Globalization of management at Japanese companies continues to advance even more rapidly than before

IT solutions

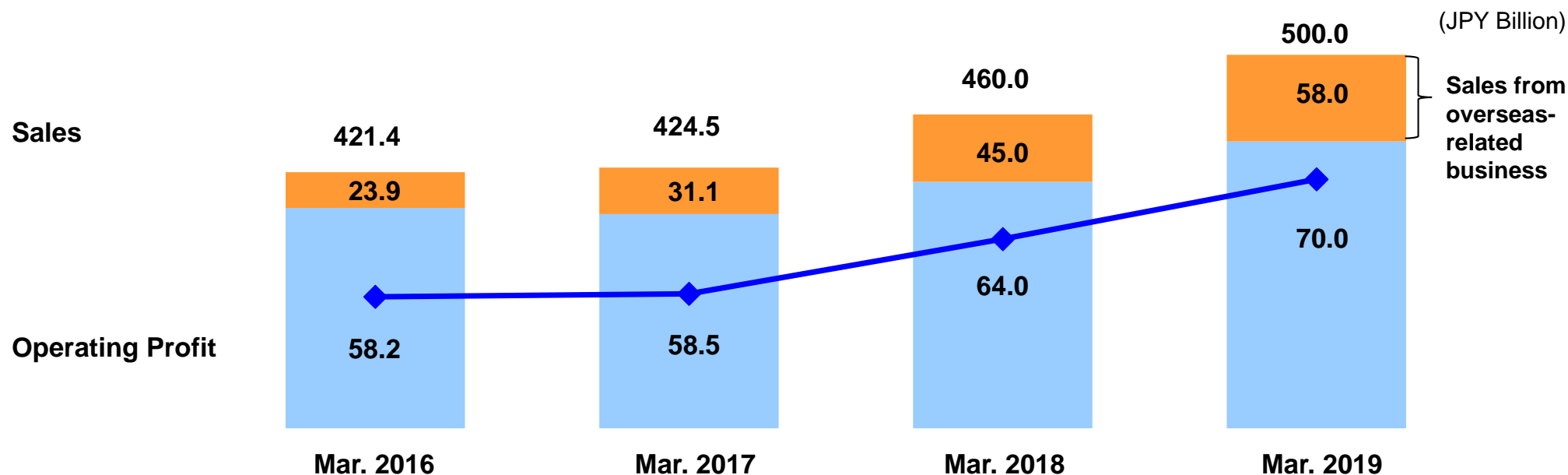
- In **Corporate IT**, demand for cost cutting and development speed continues; emerging need for IT outsourcing, mainly infrastructure
- Needs in digital field continuing to rise, and shift to **business IT** accelerating; direct involvement by management even at European and US companies, and continuing IT reinforcement with even more emphasis on speed
- IT outsourcing and utilization of cloud services proceeding in **overseas IT market** in Europe, US and Asia Pacific, maintaining even higher growth rate than Japan



NRI will steadily promote the expansion of its industry-standard platform business in existing business fields while also improving productivity and addressing new global and digital business fields, without changing the Medium-Term Management Plan (2016-2018) growth strategies.

Numerical Targets under Medium-Term Management Plan

- No change from initial numerical targets for FY March 2019 under Medium-Term Management Plan (2016 – 2018)



	March 2016(Actual)	March 2017 (Actual)	March 2018 (Forecast)	March 2019 (Target)
Sales	¥421.4 billion	¥424.5 billion	¥460.0 billion	¥500.0 billion
Operating Profit	¥58.2 billion	¥58.5 billion	¥64.0 billion	¥70.0 billion
Operating Profit Margin	13.8%	13.8%	13.9%	14%
Sales from overseas-related business	¥23.9 billion	¥31.1 billion	¥45.0 billion	¥58.0 billion
ROE	10.6%	10.7%	-	About 12%

Basic Policies for FY March 2018 Business Plan

- Aim for **steady topline growth** to achieve Medium-Term Management Plan
 - Strengthen approach to gain **large-scale clients in financial and industrial sectors**
 - Steadily expand scope of clients and services for **industry standard business platforms**
- Further accelerate **preparations and development of track record in global and digital fields**
 - **Steadily promote PMI** for existing global projects, and also explore M&A opportunities to gain further IPs
 - Develop track record in **plan proposals, proof of concept testing, and development of joint enterprises** in the digital field
- Maintain **zero unexpected large-scale unprofitable projects and promote** activities to further **improve productivity**
 - Quality management to continue “zero unexpected large-scale unprofitable projects” through unremitting reinforcement and improvement
 - In production innovation, **strengthen resource management, such as structural consolidation**, and accelerate shift to new fields

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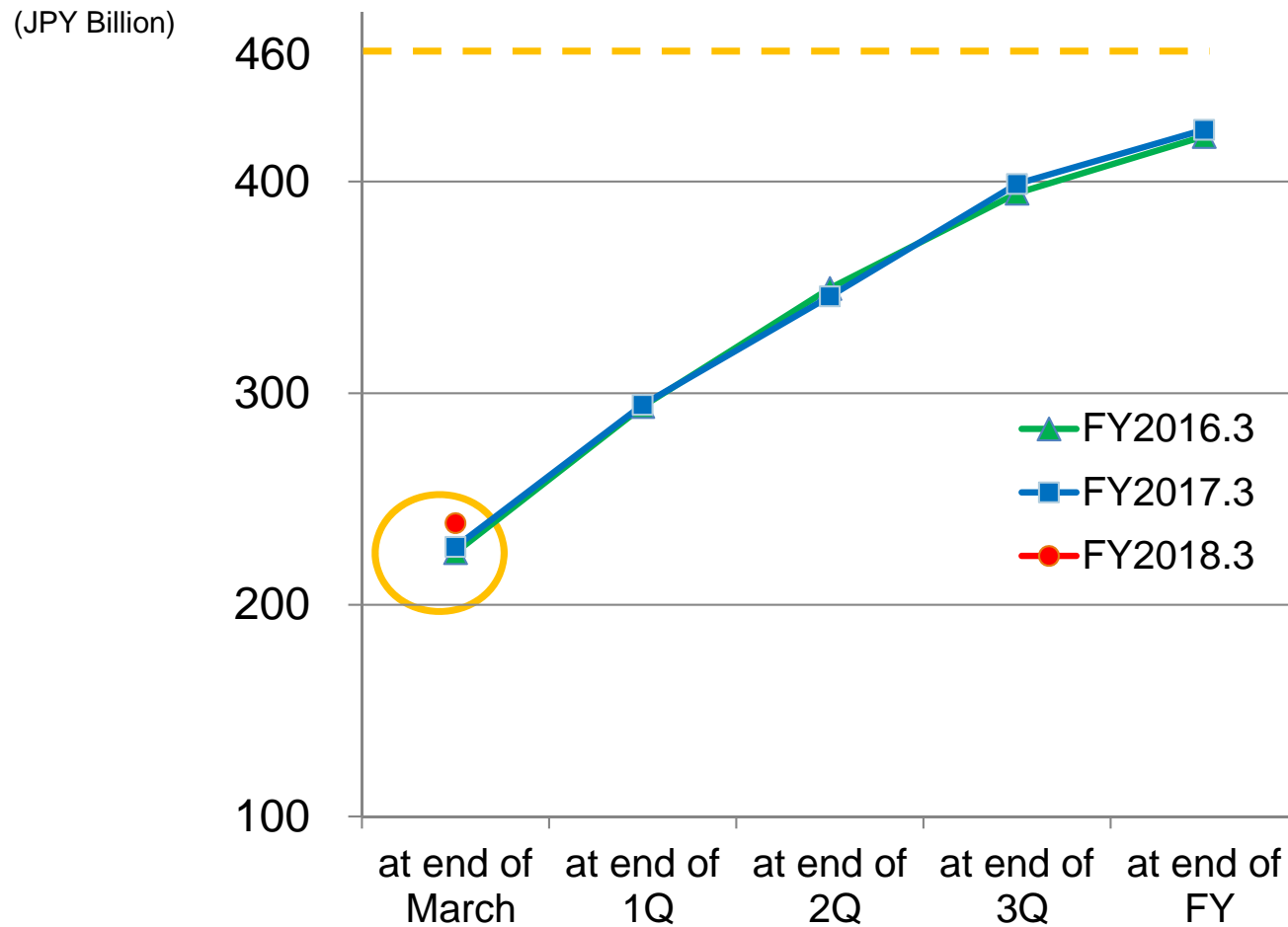
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Sales + Consolidated Order Backlog

Order backlog (of which, current fiscal year) + cumulative sales



Order Backlog (Outstanding)

(JPY million)

	At end of March 2016	At end of March 2017	Diff.	YoY Change
Consulting	4,677	8,711	+4,034	+86.3%
Financial IT Solutions	149,718	148,893	(825)	(0.6%)
Industrial IT Solutions	58,523	67,650	+9,126	+15.6%
IT Platform Services	11,837	14,019	+2,182	+18.4%
Other	3,553	3,472	(80)	(2.3%)
Total	228,310	242,748	+14,437	+6.3%
Order backlog in the next FY	227,420	238,644	+11,223	+4.9%

Forecasts for FY March 2018

【Full Year】		(JPY billion)		
	FY Mar. 2017 (Results)	FY Mar. 2018 (Forecasts)	Diff.	YoY Change
Sales	424.5	460.0	+35.4	+8.4%
Operating Profit	58.5	64.0	+5.4	+9.4%
Operating Profit Margin	13.8%	13.9%	+0.1P	
Profit attributable to owners of parent	45.0	46.5	+1.4	+3.2%
Earnings Per Share	¥181.77	¥187.40	+5.63	
Dividends Per Share	¥80.00	¥90.00	+10.00*	
End of Q2	¥40.00	¥45.00	+5.00*	
Fiscal year end	¥40.00	¥45.00	+5.00*	
Payout Ratio	42.4%	48.4%	+6.0P	

* NRI implemented a 1:1.1 common stock split on January 1, 2017. No adjustment was made to the differences of the dividends per share to accompany the split.

Shareholder Return Measures to Increase Capital Efficiency

Implement commemorative dividend, increasing dividend per share to ¥90

- Implement “NRI merger 30th anniversary commemorative dividend” (¥10) in FY March 2018 (announced in this publication)

«Dividends (results and forecasts)»

FY	FY Mar. 2014	FY Mar. 2015	FY Mar. 2016	FY Mar. 2017	FY Mar.2018 (Forecasts)
Dividends Per Share*	¥56	¥70	¥80	¥80	¥90
Payout Ratio	35.9%	36.5%	41.1%	42.4%	48.4%

- NRI conducted 1-for-1.1 stock splits of common shares with effective dates of October 1, 2015 and January 1, 2017. Dividends per share has not been retroactively restated for the stock splits.

【Measures implemented in FY March 2017】

✓ Acquisition of Treasury Stock

Acquisition Period	Total acquisition price for shares
April 2016 – June 2016	¥9.99 billion (1.0% of shares issued)

✓ Policy on treasury stock holdings and Retirement of treasury stock

- The target for treasury stock holdings will generally be 5% of the total number of issued shares and treasury stock in excess of this will be cancelled. (NRI announced on April 27, 2016)
- Cancelled treasury stock equal to 3% of total number of issued shares (June 30, 2016)

Sales Forecasts by Segment for FY March 2018

【Full Year】

(JPY billion)

	FY Mar. 2017 (Results)	Share	FY Mar. 2018 (Forecasts)	Share	Diff.	YoY Change
Consulting	30.5	7.2%	37.0	8.0%	+6.4	+21.0%
Financial IT Solutions	246.9	58.2%	260.0	56.5%	+13.0	+5.3%
Securities	119.1	28.1%	123.0	26.7%	+3.8	+3.2%
Insurance	51.9	12.2%	56.0	12.2%	+4.0	+7.7%
Banking	40.2	9.5%	42.0	9.1%	+1.7	+4.3%
Other financial	35.5	8.4%	39.0	8.5%	+3.4	+9.6%
Industrial IT Solutions	107.2	25.3%	121.0	26.3%	+13.7	+12.9%
Distribution	54.2	12.8%	57.0	12.4%	+2.7	+5.1%
Manufacturing, service and other	52.9	12.5%	64.0	13.9%	+11.0	+20.9%
IT Platform Services	29.2	6.9%	31.0	6.7%	+1.7	+6.0%
Others	10.5	2.5%	11.0	2.4%	+0.4	+4.3%
Total	424.5	100.0%	460.0	100.0%	+35.4	+8.4%

Focus of Measures in Each Business Segment

Consulting	<ul style="list-style-type: none"> • Develop large-scale clients in management consulting and IT consulting • Expand Asian and Australian client base and explore best practices of Europe and the United States • Strengthen initiatives aimed at digital strategy solutions (promote Con-Solution) 	
Financial IT Solutions	Securities	<ul style="list-style-type: none"> • Obtain new clients for shared-online services aimed at securities firms • Expand territory in securities sector through roll out of ITO x BPO • Establish global IT support for major securities firms
	Insurance	<ul style="list-style-type: none"> • Obtain large-scale system development projects for life and non-life insurance sectors • Strengthen relationships with large-scale customers in life insurance sector and expand services
	Banking	<ul style="list-style-type: none"> • Expand BESTWAY and Value Direct businesses • Initiatives aimed providing solutions for banking front office sector, etc.
	Other financial	<ul style="list-style-type: none"> • Expand shared-online services business for asset management • Expand synergies with Cutter Associates
Industrial IT Solutions	Distribution	<ul style="list-style-type: none"> • Support updating of IT platforms for existing clients and promote expansion of front office-related business
	Manufacturing, service and other	<ul style="list-style-type: none"> • Develop large-scale clients in industry (strengthen activities for prime account) • Promote Package Cloud Integration (PCI) strategy • Expand synergies with ASG and Brierley + Partners
IT Platform Services	<ul style="list-style-type: none"> • Expand IT outsourcing business • Expand information security business (global, IoT) • Promote establishment of digital marketing business 	

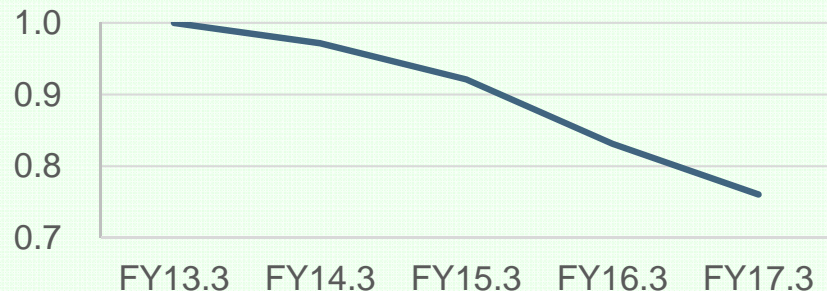
Initiatives Aimed at Work-Style Reforms Unique to NRI

- Improving work-life balance and creating employee-friendly workplaces with the aim of achieving work-style reforms unique to NRI

Previous initiatives

Reduction in working hours due to review of operations and prevention of unexpected large-scale unprofitable projects

Changes in overtime hours



◇ Change in over time if average overtime hours for all employees in FY March 2013 indexed at 1.0

Aiming for further reform

Establish company-wide Work-style Reform Promotion Committee

Raise productivity through production innovation and knowledge standardization

Work-style innovation
(promote remote working, reform culture in new office, utilize workplace day care centers)

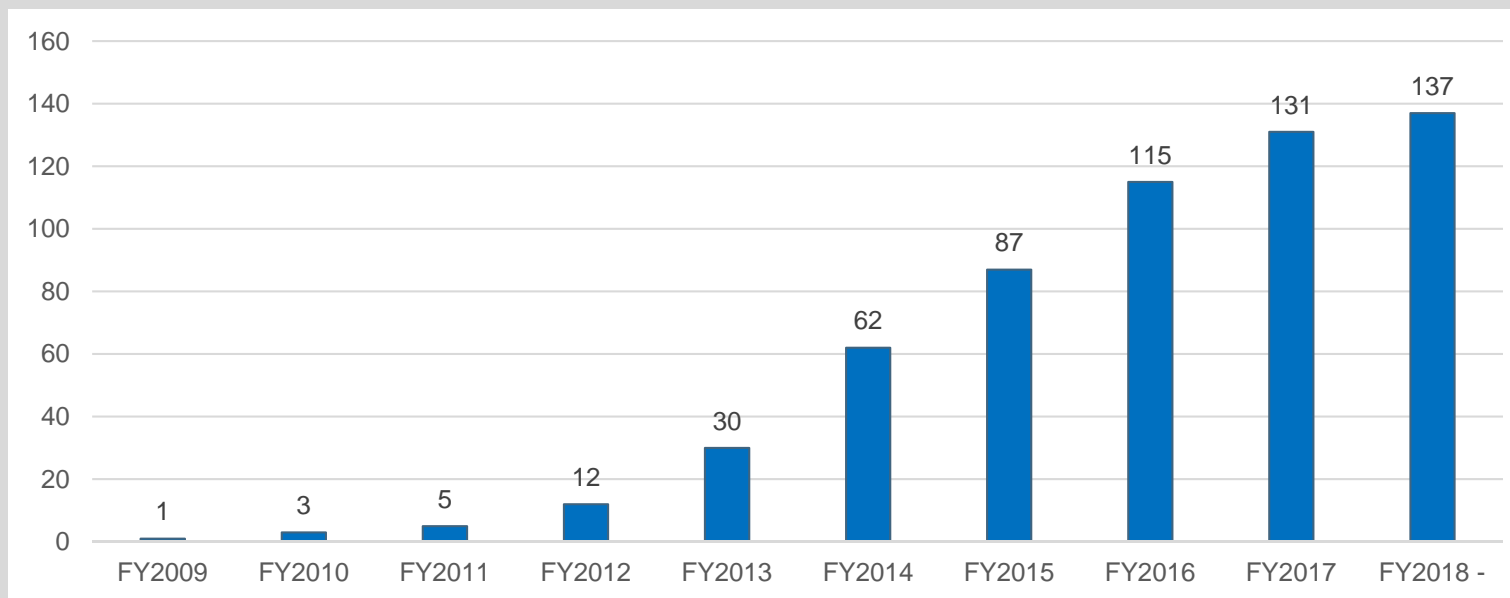
Review for Adoption of IFRS

- Establish review team for adoption of International Financial Reporting Standards (IFRS)

Objective of Adoption

To improve international comparability of financial information in capital markets as a company aiming for global business expansion

Reference: Change in the number of Japanese companies adopting IFRS (as of March 2017)



◇ Prepared by NRI based on List of Companies (Current and Scheduled), JAPAN EXCHANGE GROUP

This document contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors.

The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Figures given in the reference data related to the financial results forecasts are figures which are only intended to convey the Company's current circumstances and outlook. The Company does not undertake to revise the forecasts to reflect new information or circumstances.

References

- 1. Other Financial Result-related Data**
- 2. Recent Activities (excerpts from articles in magazines, newspapers, etc.)**
- 3. Others**

Cash Flow < Full Year >

(JPY million)

	FY Mar. 2016	FY Mar. 2017	YoY Change
Operating activities	81,470	61,147	(24.9%)
Investing activities	(75,344)	(30,341)	(59.7%)
(Except Cash management purpose)	(52,725)	(41,348)	(21.6%)
Free Cash Flow	6,126	30,805	+402.9%
(Except Cash management purpose)	28,744	19,799	(31.1%)
Financing activities	9,326	(34,327)	—
Net increase in Cash and cash equivalents	14,381	(2,897)	—
(Except Cash management purpose)	37,000	(13,903)	—
Cash and cash equivalents at end of year	154,949	152,051	(1.9%)
Cash and cash equivalents + Cash Management purpose investment	206,031	192,028	(6.8%)

1. Other Financial Result-related Data

Order Volume < Full Year >

	(JPY million)			
	FY Mar. 2016	FY Mar. 2017	Diff.	YoY Change
Consulting	27,425	34,609	+7,183	+26.2%
Financial IT Solutions	256,293	246,153	(10,139)	(4.0%)
Industrial IT Solutions	104,650	116,335	+11,685	+11.2%
IT Platform Services	23,352	31,423	+8,071	+34.6%
Other	10,840	10,463	(376)	(3.5%)
Total	422,561	438,986	+16,424	+3.9%

1. Other Financial Result-related Data

Highlights of Consolidated Financial Results < 4Q >

(JPY million)

	4Q FY Mar. 2016 (Jan.-Mar.)	4Q FY Mar. 2017 (Jan.-Mar.)	Diff.	YoY Change
Sales	107,817	116,014	+8,197	+7.6%
Operating Profit	15,066	15,870	+804	+5.3%
Operating Profit Margin	14.0%	13.7%	(0.3P)	
Profit attributable to owners of parent	10,734	4,784	(5,949)	(55.4%)

1. Other Financial Result-related Data

Sales by Segment < 4Q >

(JPY million)

	4Q FY Mar. 2016 (Jan.-Mar.)	Share	4Q FY Mar. 2017 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting	8,012	7.4%	9,765	8.4%	+1,753	+21.9%
Financial IT Solutions	64,339	59.7%	65,261	56.3%	+922	+1.4%
Securities	32,080	29.8%	31,993	27.6%	(87)	(0.3%)
Insurance	14,203	13.2%	12,927	11.1%	(1,276)	(9.0%)
Banking	9,139	8.5%	11,243	9.7%	+2,103	+23.0%
Other financial	8,916	8.3%	9,098	7.8%	+182	+2.0%
Industrial IT Solutions	25,901	24.0%	30,763	26.5%	+4,862	+18.8%
Distribution	12,443	11.5%	14,558	12.5%	+2,115	+17.0%
Manufacturing, service and other	13,457	12.5%	16,205	14.0%	+2,747	+20.4%
IT Platform Services	6,691	6.2%	7,477	6.4%	+785	+11.7%
Others	2,872	2.7%	2,745	2.4%	(126)	(4.4%)
Total	107,817	100.0%	116,014	100.0%	+8,197	+7.6%
Nomura Holdings	19,400	18.0%	19,533	16.8%	+133	+0.7%
Seven & i Holdings	10,058	9.3%	12,761	11.0%	+2,703	+26.9%

Note: Figures for sales to Nomura Holdings and Seven & i Holdings include sales to their respective subsidiaries and sales through lease companies, etc.

1. Other Financial Result-related Data

Segment performance results < 4Q >

■ Including Inter-segment sales for each segment

(JPY million)

		4Q FY Mar. 2016 (Jan.-Mar.)	4Q FY Mar. 2017 (Jan.-Mar.)	Diff.	YoY Change
Consulting	Sales	8,216	9,987	+1,770	+21.6%
	OP	2,062	2,164	+102	+5.0%
	OPM	25.1%	21.7%	(3.4P)	
Financial IT Solutions	Sales	64,735	65,595	+859	+1.3%
	OP	7,204	6,532	(672)	(9.3%)
	OPM	11.1%	10.0%	(1.2P)	
Industrial IT Solutions	Sales	26,275	30,902	+4,626	+17.6%
	OP	2,236	3,094	+857	+38.3%
	OPM	8.5%	10.0%	+1.5P	
IT Platform Services	Sales	28,707	31,212	+2,505	+8.7%
	OP	2,782	3,249	+466	+16.8%
	OPM	9.7%	10.4%	+0.7P	

1. Other Financial Result-related Data

Sales by Service < 4Q >

(JPY million)

	4Q FY Mar. 2016 (Jan.-Mar.)	Share	4Q FY Mar. 2017 (Jan.-Mar.)	Share	Diff.	YoY Change
Consulting Services	13,744	12.7%	19,622	16.9%	+5,878	+42.8%
System Development & System Application Sales	35,416	32.8%	33,149	28.6%	(2,266)	(6.4%)
System Management & Operation Services	54,541	50.6%	58,657	50.6%	+4,116	+7.5%
Product Sales	4,115	3.8%	4,584	4.0%	+468	+11.4%
Total	107,817	100.0%	116,014	100.0%	+8,197	+7.6%

1. Other Financial Result-related Data

P/L Highlight < 4Q >

(JPY million)

	4Q FY Mar. 2016 (Jan.-Mar.)	4Q FY Mar. 2017 (Jan.-Mar.)	Diff.	YoY Change
Sales	107,817	116,014	+8,197	+7.6%
Cost of Sales	72,917	77,130	+4,212	+5.8%
Subcontracting Costs	34,099	32,211	(1,888)	(5.5%)
Gross Profit	34,899	38,884	+3,984	+11.4%
Gross Profit Margin	32.4%	33.5%	+1.1P	
SG&A	19,833	23,014	+3,180	+16.0%
Operating Profit	15,066	15,870	+804	+5.3%
Operating Profit Margin	14.0%	13.7%	(0.3P)	

1. Other Financial Result-related Data

P/L Highlight < 4Q > continued

(JPY million)

	4Q FY Mar. 2016 (Jan.-Mar.)	4Q FY Mar. 2017 (Jan.-Mar.)	Diff.	YoY Change
Operating Profit	15,066	15,870	+804	+5.3%
Non-operating income and loss	610	33	(576)	
Extraordinary income and loss	71	(8,574)	(8,646)	
Loss on sales of property and equipment	—	(8,567)	(8,567)	
Income taxes etc.	5,022	2,235	(2,787)	
Profit attributable to owners of parent	10,734	4,784	(5,949)	(55.4%)

1. Other Financial Result-related Data

Order Volume < 4Q >

	(JPY million)			
	4Q FY Mar. 2016 (Jan.-Mar.)	4Q FY Mar. 2017 (Jan.-Mar.)	Diff.	YoY Change
Consulting	6,487	10,069	+3,582	+55.2%
Financial IT Solutions	156,534	150,381	(6,152)	(3.9%)
Industrial IT Solutions	66,151	74,504	+8,352	+12.6%
IT Platform Services	12,083	16,837	+4,754	+39.3%
Other	4,591	4,574	(16)	(0.4%)
Total	245,847	256,368	+10,521	+4.3%

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2018

【Full Year】

(JPY billion)

	FY Mar. 2017 (Results)	Share	FY Mar. 2018 (Forecasts)	Share	Diff.	YoY Change
Consulting Services	62.7	14.8%	70.0	15.2%	+7.2	+11.6%
System Development & System Application Sales	131.9	31.1%	147.0	32.0%	+15.0	+11.4%
System Management & Operation Services	217.2	51.2%	233.0	50.7%	+15.7	+7.2%
Product Sales	12.6	3.0%	10.0	2.2%	(2.6)	(20.9%)
Total	424.5	100.0%	460.0	100.0%	+35.4	+8.4%

1. Other Financial Result-related Data

CAPEX, R&D and Depreciation Forecasts for FY March 2018

【Capital Expenditure, R&D】

(JPY billion)

	FY Mar. 2017 (Results)	FY Mar. 2018 (Forecasts)	Diff.	YoY Change
Capital Expenditure	38.6	45.0	+6.3	+16.4%
Tangible	13.6	19.0	+5.3	+39.3%
Intangible	25.0	26.0	+0.9	+3.9%
R&D	5.6	6.0	+0.3	+5.7%

【Depreciation and Amortization】

(JPY billion)

	FY Mar. 2017 (Results)	FY Mar. 2018 (Forecasts)	Diff.	YoY Change
Total	28.4	31.0	+2.5	+8.9%

1. Other Financial Result-related Data

FY March 2018 Financial Results Forecasts Reference Data < 1H/2H >

(JPY billion)

【1H】	FY Mar. 2017 1H (Results)	FY Mar. 2018 1H (Forecasts)	Diff.	YoY Change
Sales	203.1	225.0	+21.8	+10.7%
Operating Profit	26.3	31.0	+4.6	+17.7%
Operating Profit Margin	13.0%	13.8%	+0.8P	
Profit attributable to owners of parent	28.8	23.0	(5.8)	(20.3%)

【2H】	FY Mar. 2017 2H (Results)	FY Mar. 2018 2H (Forecasts)	Diff.	YoY Change
Sales	221.3	235.0	+13.6	+6.2%
Operating Profit	32.1	33.0	+0.8	+2.6%
Operating Profit Margin	14.5%	14.0%	(0.5P)	
Profit attributable to owners of parent	16.2	23.5	+7.2	+44.9%

1. Other Financial Result-related Data

Sales Forecasts by Segment for FY March 2018 < 1H/2H >

(JPY billion)

【1H】	FY Mar. 2017 1H (Results)		FY Mar. 2018 1H (Forecasts)		Diff.	YoY Change
		Share		Share		
Consulting	13.1	6.5%	17.0	7.6%	+3.8	+29.0%
Financial IT Solutions	119.7	58.9%	127.0	56.4%	+7.2	+6.1%
Securities	57.0	28.1%	61.0	27.1%	+3.9	+6.9%
Insurance	25.4	12.5%	27.0	12.0%	+1.5	+6.2%
Banking	18.9	9.3%	20.0	8.9%	+1.0	+5.5%
Other financial	18.3	9.0%	19.0	8.4%	+0.6	+3.8%
Industrial IT Solutions	50.6	24.9%	60.0	26.7%	+9.3	+18.5%
Distribution	26.6	13.1%	28.0	12.4%	+1.3	+5.0%
Manufacturing, service and other	23.9	11.8%	32.0	14.2%	+8.0	+33.5%
IT Platform Services	14.4	7.1%	15.5	6.9%	+1.0	+7.5%
Others	5.1	2.6%	5.5	2.4%	+0.3	+6.1%
Total	203.1	100.0%	225.0	100.0%	+21.8	+10.7%
【2H】	FY Mar. 2017 2H (Results)		FY Mar. 2018 2H (Forecasts)		Diff.	YoY Change
		Share		Share		
Consulting	17.3	7.9%	20.0	8.5%	+2.6	+15.0%
Financial IT Solutions	127.2	57.5%	133.0	56.6%	+5.7	+4.5%
Securities	62.0	28.0%	62.0	26.4%	(0.0)	(0.1%)
Insurance	26.5	12.0%	29.0	12.3%	+2.4	+9.2%
Banking	21.3	9.6%	22.0	9.4%	+0.6	+3.2%
Other financial	17.2	7.8%	20.0	8.5%	+2.7	+15.8%
Industrial IT Solutions	56.5	25.6%	61.0	26.0%	+4.4	+7.8%
Distribution	27.5	12.5%	29.0	12.3%	+1.4	+5.1%
Manufacturing, service and other	28.9	13.1%	32.0	13.6%	+3.0	+10.4%
IT Platform Services	14.8	6.7%	15.5	6.6%	+0.6	+4.6%
Others	5.3	2.4%	5.5	2.3%	+0.1	+2.6%
Total	221.3	100.0%	235.0	100.0%	+13.6	+6.2%

1. Other Financial Result-related Data

Sales Forecasts by Service for FY March 2018 < 1H/2H >

(JPY billion)

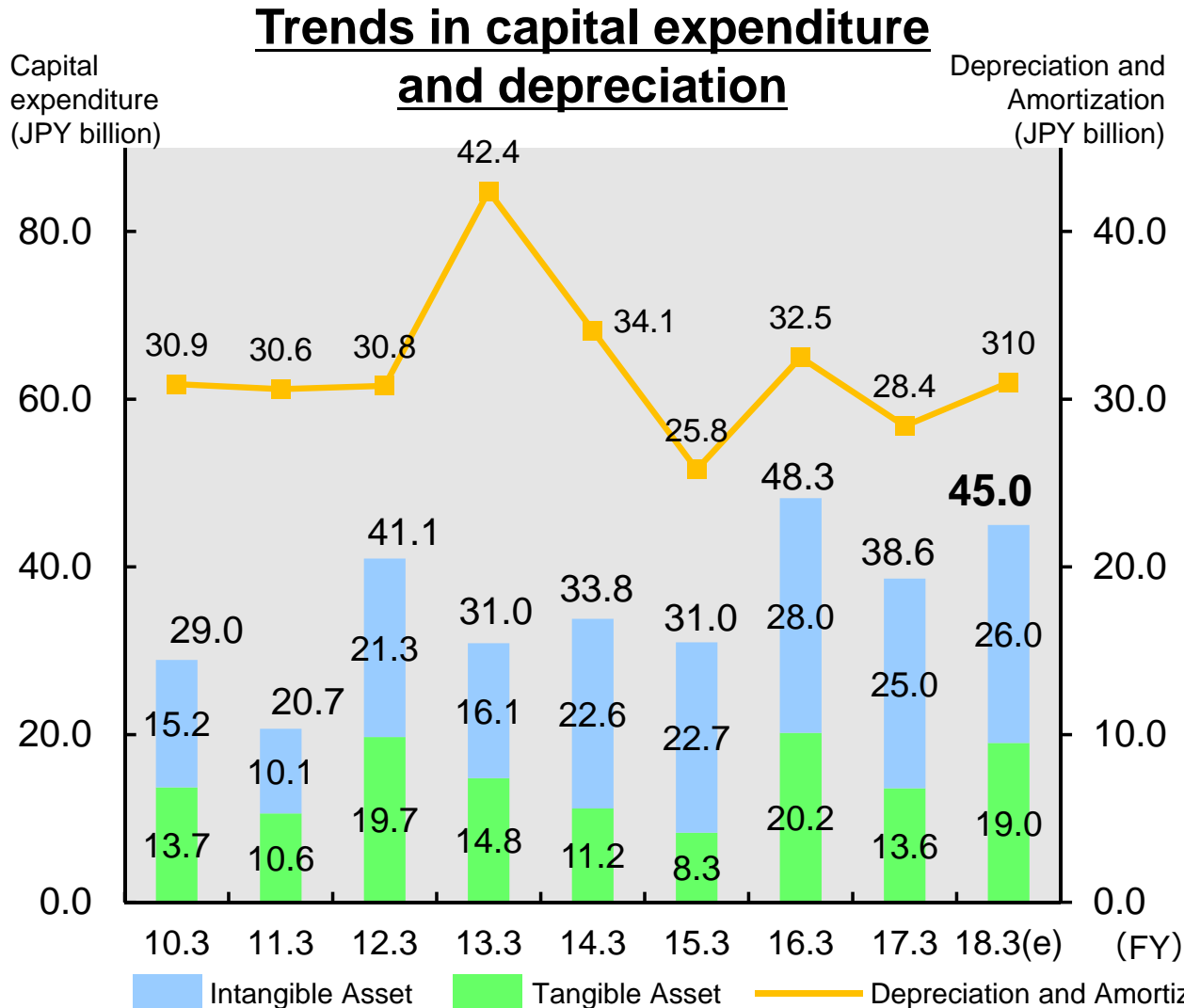
【1H】	FY Mar. 2017 1H (Results)	Share	FY Mar. 2018 1H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	27.1	13.3%	32.0	14.2%	+4.8	+17.9%
System Development & System Application Sales	66.3	32.6%	72.0	32.0%	+5.6	+8.5%
System Management & Operation Services	104.5	51.5%	116.0	51.6%	+11.4	+11.0%
Product Sales	5.1	2.5%	5.0	2.2%	(0.1)	(2.8%)
Total	203.1	100.0%	225.0	100.0%	+21.8	+10.7%

【2H】	FY Mar. 2017 2H (Results)	Share	FY Mar. 2018 2H (Forecasts)	Share	Diff.	YoY Change
Consulting Services	35.5	16.0%	38.0	16.2%	+2.4	+6.8%
System Development & System Application Sales	65.5	29.6%	75.0	31.9%	+9.4	+14.4%
System Management & Operation Services	112.7	50.9%	117.0	49.8%	+4.2	+3.8%
Product Sales	7.4	3.3%	5.0	2.1%	(2.4)	(33.2%)
Total	221.3	100.0%	235.0	100.0%	+13.6	+6.2%

1. Other Financial Result-related Data

Capital Investments

➤ Capital expenditure forecast to be JPY45.0 billion



Investment in intangible fixed assets

- Expanding functionalities for shared-online services (including support for financial regulatory change), etc.

Investment in tangible fixed assets

- Updating of data center-related facilities
- Office relocation etc.

1. Other Financial Result-related Data

R&D

- Developing a track record with awareness of Vision 2022 growth strategy (global and business IT)

Current R&D Themes

■ Service innovation

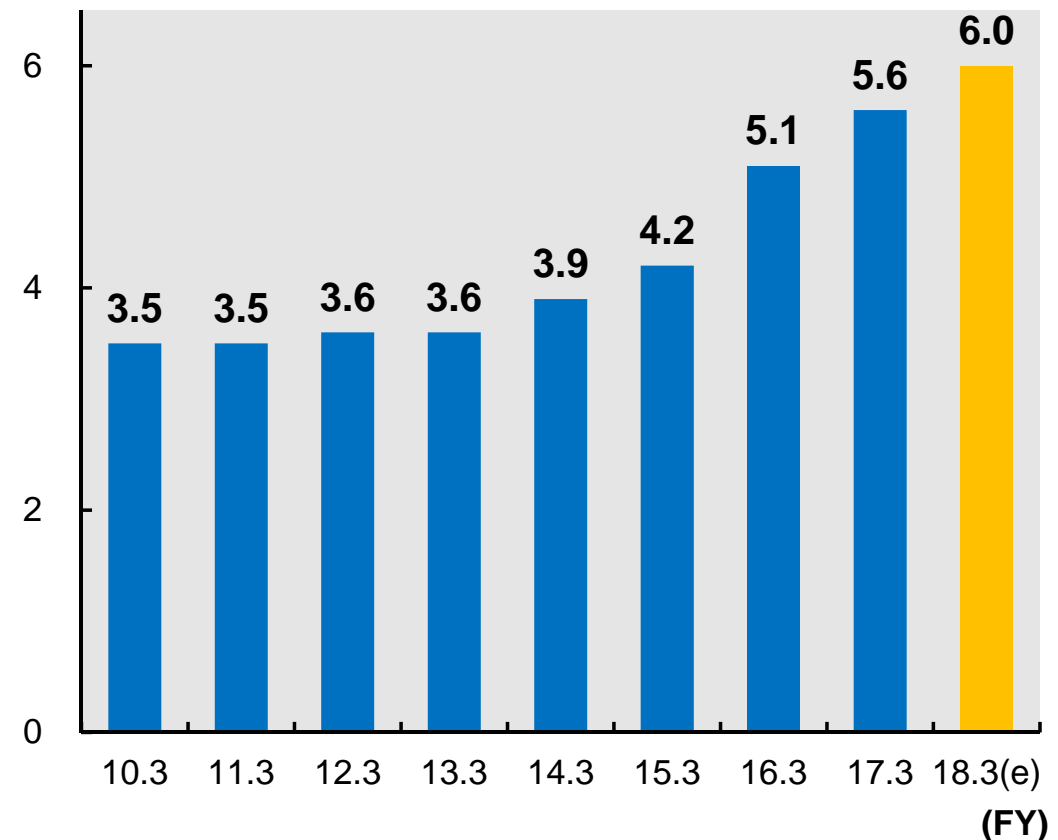
- AI, IoT
- NRI Mirai (Future) Garage, NRI Hackathon
- Production innovation etc.

■ Future value creation and global business investigation

- Recommendations for digital society and digital management
- Financial market and system research
- System strategy research
- Surveys and research on Asian and Western countries, etc.

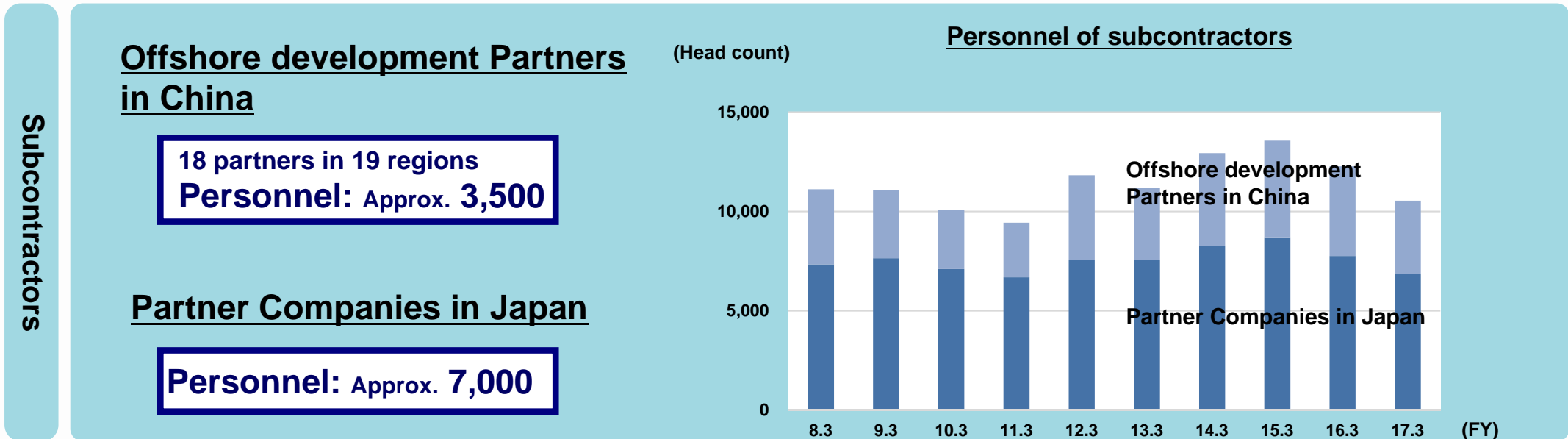
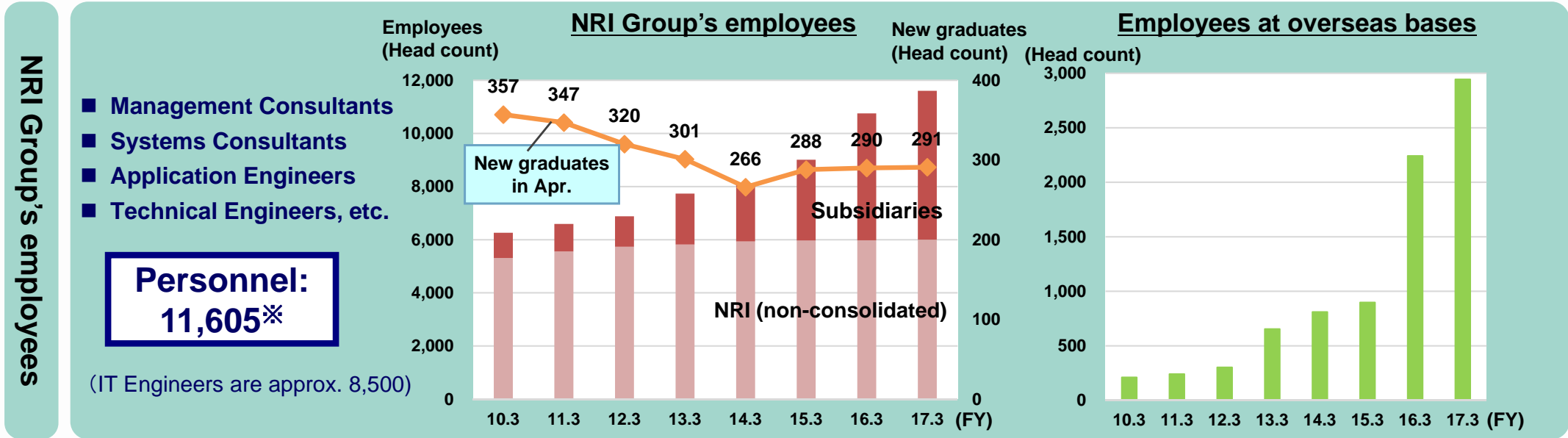
R&D

(JPY billion)



1. Other Financial Result-related Data

NRI's employees + Partners (in Japan & China)



2. Recent Activities

NRI Secure Technologies Starts Provision of IoT Security Consulting Service

- NRI Secure Technologies commenced provision of an IoT security consulting service to provide support for status assessment through to implementation of the optimum security measures for IoT and the associated control systems.
- The service enables quantitative evaluation of security measures using the independently developed NSF for IoT framework and presents the optimum security measures depending on the type of business and the environment, and the target technology and equipment.
- Specifically, the following four types of services are to be provided.
 - Assessment of current issues, visualization of security risks, and formulation of countermeasures roadmap
 - Formulation of policy guidelines
 - Security vulnerability analysis
 - Support for implementation

**NRIセキュアがコンサルサービス
IoT環境のセキュリティ状況を
を定量評価、最適な対応策提示**

野村総合研究所グループのNRIセキュアテクノロジーズ（東京都千代田区）は6日、IoTに関するシステム環境の最適なセキュリティ対策を実現するコンサルティングサービスの開始を発表した。独自開発したフレームワークでIoT環境のセキュリティ状況を定量的に評価し、最適な対応策を提示する。

発売した「IoTセキュリティコンサルティン グサービス」は、独自開発のIoTや制御システムに特化したセキュリティ状況可視化フレームワークを使い、企業のIoTや制御システムに関するセキュリティの状況を把握し課題を抽出する。その後、業種業態やシステム環境などに応じた最適な対応策を導き出していく。

フレームワークは各企業のIoTに関するセキュリティ定義に関係なく、同じ物差しでセキュリティ対策レベルの定量評価ができる。これまで電気やガス、水道など重要インフラシステムやグローバルに展開する製造業の工場や機器のセキュリティコンサルティン グをしてきたノウハウを生かして開発した。サービスはセキュリティリスクの可視化と対策ロードマップの策定、ポリシーとガイドラインの作成、セキュリティに関する脆弱性診断、実行支援の四つのメニューを用意。

まず、フレームワークでセキュリティの実態を横断的に評価分析し、セキュリティ対策と方向性を策定する。その後は、セキュリティに関するルールやガイドラインを策定し、IoT機器や環境での脆弱性の残存を確認。実際の実行支援をする。

*Dempa Shimbun,
March 7, 2017*

2. Recent Activities

Selected to be “Nadeshiko Stock” as Listed Company that Excels in Promoting Active Workplace Participation by Women

- Nadeshiko stocks are those listed companies that excel in promoting active workplace participation by women that the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly feature as attractive stocks for investors who value “medium- to long-term enhancement in corporate value.”
- The following points have been highly evaluated.
 - Promotion of measures that incorporate the voices of employees with a focus on the NRI Women’s Network, a project that reports directly to the President
 - Management policies, including the clear statement on promoting active workplace participation by women in Vision 2022, NRI’s long-term management vision
 - Career support measures for female employees

ダイバーシティ経営31社選定
経産省

経済産業省は23日、「新・ダイバーシティ経営企業100選」と「なでしこ銘柄」を公表した。今回、ダイバーシティ経営企業に認定された31社のうち、中小企業が18社と全体の約6割を占め、過去最高の比率となった。

ダイバーシティ経営企業認定は、女性や外国人など多様な人材を活用する仕組みが対象で今回で5回目。東京都など大都市圏以外に拠点を持つ企業数が17社と最多だった。選定した中小企業の1社、

なでしこ銘柄では、新設した「準なでしこ銘柄」に帝人や豊田自動車など25社が選ばれた。

なでしこ銘柄は、マルワ環境（徳島市）は障がい者に複数の部署を体験してもらい、最適なお仕事に配置している。

ダイバーシティ経営企業16年度版として47社を選定。クボタや野村総合研究所などが初めで選ばれた。東京証券取引所の上場企業約3500社のうち、女性活躍を推進している企業が対象。

Nikkan Kogyo Shimbun, March 24, 2017

3. Others - Supplementary explanation

■ FY March 2018 Consolidated Earnings Model

- Sales of JPY460.0 billion and operating profit of JPY64.0 billion

(JPY billion)

	FY Mar. 2016 (Results)	FY Mar. 2017 (Results)	FY Mar. 2018 (Forecasts)*	YoY	
				Diff.	Change
Sales	421.4	424.5	460.0	+35.4	+8.4%
Cost of Sales	287.2	280.7	301.0	+20.2	+7.2%
Personnel	83.5	89.2	95.0	+5.7	+6.4%
Subcontracting Costs	139.3	126.3	140.0	+13.6	+10.8%
Depreciation	31.4	26.9	29.0	+2.0	+7.7%
Gross Profit	134.1	143.7	159.0	+15.2	+10.6%
Gross Profit Margin	31.8%	33.9%	34.6%	+0.7P	
SG&A	75.8	85.2	95.0	+9.7	+11.4%
Operating Profit	58.2	58.5	64.0	+5.4	+9.4%
Operating Profit Margin	13.8%	13.8%	13.9%	+0.1P	

* Figures are consolidated estimates for preparing this earnings model.

3. Others - Communications

Forum, etc.



February 2017
Briefing session held for
individual investors in Tokyo and Osaka

Publications



Examples of books published since January 2017